#### For February 2020

Economic Affairs Interim Committee Compiled by Pat Murdo, Committee Staff



# **OVERVIEW:**TOURISM ADVISORY COUNCIL

The Tourism Advisory Council (TAC) is created under 2-15-1816, MCA, and allocated to the Department of Commerce for administrative purposes. Unlike other advisory boards, TAC has the right (specified in statute) to revise the tourism

regions first determined by the Governor. The Department of Commerce says this has happened twice, both times in 1987 when the TAC was created as part of HB 84.

#### Council Members

The governor appoints Tourism
Advisory Council members for 3-year terms. Appointments must include at least one member from an Indian tribal government and one tribal member from the private sector. At least 10 more members are to be named from the private-sector travel industry. Currently 17 people serve as TAC members. The only region not represented is the Central Montana region, whose representative resigned in January 2020.

TAC Members	Representing	Term Expires
Katie Grice, Big Sky, chair	Yellowstone Country Region	7/1/2022
Rhonda Fitzgerald, Whitefish	Glacier Country Region	7/1/2022
Rachel Gregg, Missoula	Glacier Country Region	7/1/2022
Joe Willauer. Butte	Southwest Montana Region	7/1/2021
Sandi Luckey, East Helena	Southwest Montana Region	7/1/2020
Alger Swingley, Great Falls	Tribal member from private sector	7/1/2021
Dr. Kenneth Ryan, Poplar	Fort Peck Tribal Government	7/1/2020
Bill McGladdery, Butte	Southwest Montana Region	7/1/2022
Lindzy Brunson, Kalispell	Glacier Country Region	7/1/2022
Steve Wahrlich, Billings	Southeast Montana Region 7/1/2020	
Brian Sprenger, Belgrade	Yellowstone Country Region 7/1/202	
Patricia McGlynn, Kalispell	Glacier Country Region	7/1/2022
Tami Burke, Glasgow	Missouri River Region	7/1/2021
Glenniss Indreland,	Yellowstone Country Region	7/1/2020
Bozeman		
Jeff Ewelt, Billings	Southeast Montana Region 7/1/2020	
Sabre Moore, Ekalaka	Southeast Montana Region 7/1/2022	
Alicia Harvey, Bozeman	Yellowstone Country Region	7/1/2022
Former appointee resigned	Central Montana Region	

### Staffing

The Department of Commerce provides staff for the TAC. The <u>operating policy</u> for the TAC requires "all communication" with the governor by a council member to go through the director of the Department of Commerce.

Staffing relies on existing personnel at Commerce. TAC <u>minutes</u> from September 2018 show 11 Commerce personnel at the Helena meeting, including the director. There were 14 council members present. Typically at least 3 Commerce staff attend meetings.

#### **Council Duties**

The council is responsible for:

- Overseeing distribution of lodging facility use tax funds, as provided in 2-15-1816, MCA) to:
  - o regional nonprofit tourism corporations (defined in 15-65-101, MCA);
  - o nonprofit convention and visitors' bureaus (CVBs); and
  - the State-Tribal Economic Development Commission. (This does not mean budget approval for the STED Commission, but TAC does review the budgets and expenses of the regions and the CVBs.)

#### For February 2020 - Tourism Advisory Council

**Economic Affairs Interim Committee** 

- Advising:
  - the Department of Commerce relative to tourism promotion;
  - o the Governor on significant matters related to Montana's travel industry.
- Determining what may be considered administrative expenses, up to the 20% of funds received that the law allows to be claimed by the regional nonprofit tourism corporations and nonprofit convention and visitors bureaus.
- Directing the university system on Montana travel research.
- Approving all travel research programs in advance of research.
- Encouraging the State-Tribal Economic Development Commission's work and regional nonprofit tourism corporations to promote tourism on Indian reservations.
- Encouraging regional nonprofit tourism corporations and nonprofit convention and visitors bureaus to promote public and nonprofit history museums.
- Urging the Department of Transportation to include recognized museums on state highway travel maps.

## Funding/Expenses

Funding for the TAC is through the Lodging Facility Use Tax. The Department of Commerce does not list any personnel expenses directly associated with TAC but shows expenses in the FY2019 statewide accounting system of \$31,700 for such items as travel, communications, supplies, conference costs, and meeting rooms.

Revenues	FY 2019 Reci		Distributions*  *FY2019 budget  pie chart
Lodging Facility Use Tax, T 15, ch. 65	University System	2.5%	
	Dept of Commerce	64.4%	\$22,953,424
	Regional nonprofit	22.5%+	\$8,019,443
Note: Commerce pie chart provided	tourism corporations		
to the EAIC in September 2019	State-Tribal Economic	0.5%	\$178,211
shows 64.4% to Commerce prior to a change in the 2019 session to 63% under 15-65-121, MCA.	Development Commis	sion	
	Other (FWP, Historical	Society,	(no oversight by
	Historic Preservation -	\$400,000)	TAC)

# Legislative Audits

A Tourism and Marketing Promotion Audit in 2019, 18P-03, recommended the Department of Commerce and the Tourism Advisory Council improve "oversight of Tourism Regions and the Convention & Visitor Bureau to clarify and enforce methodology research and evaluation requirements...". The department, in concurring, noted that "clarifying language and review forms will be presented to TAC for approval in February of 2020 and will be implemented in May of 2020." The department also noted plans to perform quality assurance to make sure its records are complete and to improve enforcement mechanisms.

# Possible Topics of Interest

The SJ 24 study of the distribution of the lodging facility use tax may provide EAIC members with an opportunity to reassess the value of the Tourism Advisory Council and its interactions with the Department of Commerce.

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